

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 EA-12 IO-14 ISO-00 STR-07 L-03
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01
H-02 INR-10 INT-05 LAB-04 NSAE-00 NSC-05 PA-02
CTME-00 AID-05 SS-15 ITC-01 TRSE-00 ICA-20 SP-02
SOE-02 OMB-01 DOE-15 OIC-02 AF-10 ARA-14 NEA-10
/184 R

DRAFTED BY EB/OT/STA:GWHITE:JH
APPROVED BY EB/OT/STA:TO'HERRON
EA/J:HCOCHRAN (INFO)
EA/K:BPORTER (INFO)
EA/ROC:WLUNDY (INFO)
EA/PRCM:SSTAMFIELD (INFO)
STR:SCOFFIELD
L/EB:SBENSON (SUBS)
-----042780 072311Z /70

R 062326Z APR 78
FM SECSTATE WASHDC
TO USMISSION GENEVA
AMEMBASSY PARIS
INFO AMEMBASSY BRUSSELS
AMCONSUL HONG KONG
AMEMBASSY SEOUL
AMEMBASSY TAIPEI

UNCLAS STATE 089200

US MISSION ALSO FOR US MTN, USOECD

E.O. 11652: N/A

TAGS: ETRD, GATT, OECD

SUBJECT: GATT: PRESIDENT'S MEMO ON PROPOSED U.S.
ARTICLE XIX ACTION ON CB RADIOS
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REF: 1) STATE 41778 2) GATT DOCUMENT L/4634

1. MISSION GENEVA IS REQUESTED TO TRANSMIT FOLLOWING
TEXT TO GATT SECRETARIAT FOR CIRCULATION TO CONTRACTING
PARTIES AS NOTIFICATION UNDER ARTICLE XIX:2: BEGIN TEXT

THE UNITED STATES ADVISED THE CONTRACTING PARTIES (CAPITAL LETTERS) ON 21 FEBRUARY, 1978 (GATT DOCUMENT L/4634 OF 1 MARCH 1978) OF A PROPOSED ACTION UNDER ARTICLE XIX TO INCREASE DUTIES ON CITIZEN BAND RADIO TRANSCEIVERS.

ON MARCH 27, 1978 THE PRESIDENT MADE THE FOLLOWING ANNOUNCEMENT: (BEGIN QUOTE):

PURSUANT TO SECTION 202(B) OF THE TRADE ACT OF 1974 (P.L. 93-618,88 STAT. 1978), I HAVE DETERMINED THE ACTION I WILL TAKE WITH RESPECT TO THE REPORT OF THE UNITED STATES TINTER-NATIONAL TRADE COMMISSION (USITC), TRANSMITTED TO ME ON

FEBRUARY 3, 1978, CONCERNING THE RESULTS OF ITS INVESTIGATION OF A PETITION FOR IMPORT RELIEF FILED BY E.G. JOHNSON COMPANY ON BEHALF OF THE DOMESTIC INDUSTRY PRODUCING CITIZENS BAND (CB) RADIO TRANSCEIVERS, PROVIDED FOR IN ITEM 685.25 OF THE TARIFF SCHEDULES OF THE UNITED STATES.

AFTER CONSIDERING ALL RELEVANT ASPECTS OF THE CASE, INCLUDING THOSE CONSIDERATIONS SET FORTH IN SECTION 202(C) OF THE TRADE ACT OF 1974, I HAVE DETERMINED THAT NEITHER OF THE RECOMMENDATIONS OF THE USITC ARE APPROPRIATE IN THIS CASE. I HAVE, HOWEVER, DETERMINED UNCLASSIFIED

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THAT IMPORT RELIEF IS IN THE NATIONAL ECONOMIC INTEREST AND THEREFORE WILL PROCLAIM A TARIFF INCREASE WITH RESPECT TO CITIZENS BAND (CB) RADIO TRANSCEIVERS (EXCEPT HAND-HELD), PROVIDED FOR IN ITEM 685.25 OF THE TSUS, OF 15 ADDITIONAL PERCENTAGE POINTS IN THE FIRST YEAR, TO BE PHASED DOWN IN THREE PERCENTAGE POINT DECREMENTS FOR THE FOLLOWING TWO YEARS. THE DUTY WOULD THEN REVERT TO ITS CURRENT RATE OF SIX PERCENT AD VALOREM.

EXPEDITED ADJUSTMENT ASSISTANCE WOULD BE INEFFECTIVE IN HELPING THE INDUSTRY COPE WITH CURRENT PROBLEMS OF SEVERE INVENTORY OVERHANG, LOW PRICES, AND FINANCIAL LOSSES.

THE IMPORT RELIEF RECOMMENDED BY THE USITC OF A 30 PERCENTAGE POINT TARIFF INCREASE IS NOT IN THE NATIONAL ECONOMIC INTEREST BECAUSE IT WOULD SUBSTANTIALLY INCREASE COSTS TO CONSUMERS. IN A TIME WHEN WE ARE STRIVING TO CONTROL INFLATION, THIS COST WOULD BE TOO HIGH.

THE MODERATE TARIFF INCREASE OVER A THREE YEAR PERIOD THAT I WILL PROCLAIM WILL HAVE A MUCH SMALLER EFFECT

THAN THE 30 PERCENTAGE POINT ADDED DUTY OVER FIVE YEARS
RECOMMENDED BY THE USITC. FURTHERMORE, CBS ARE A FINAL
CONSUMER GOOD PRECLUDING RIPPLE PRICE EFFECTS ON OTHER
GOODS.

THE MODERATE TARIFF INCREASE WOULD ENABLE DOMESTICALLY
PRODUCED CBS TO BE COMPETITIVELY PRICED RELATIVE TO
IMPORTS. DOMESTIC MANUFACTURERS MAY BE ABLE TO EXPAND
THEIR SHARE OF THE MARKET. THIS COULD BE ACHIEVED BY
UTILIZING THEIR ALREADY DEVELOPED, BUT NOW EXCESS,
CAPACITY.

FIRMS AND WORKERS AND COMMUNITIES WOULD STILL REMAIN
ELIGIBLE FOR ADJUSTMENT ASSISTANCE. (END QUOTE)
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2. FURTHER DETAILS WILL BE COMMUNICATED IN THE NEAR FUTURE
FOLLOWING ISSUANCE OF THE PRESIDENTIAL PROCLAMATION
IMPLEMENTING THE INCREASES IN TARIFF RATES. THE
UNITED STATES IS READY TO CONSULT WITH THE CONTRACTING
PARTIES (CAPITAL LETTERS) AND PARTIES HAVING A SUBSTANTIAL
INTEREST AS EXPORTERS OF CB RADIO TRANSCEIVERS (EXCEPT
HAND-HELD) REGARDING THIS ACTION.

3. TOKYO SHOULD PROVIDE COPIES OF THE ABOVE NOTIFICATION
TO GOJ. USOECD PARIS MAY USE TEXT TO NOTIFY OECD
SECRETARIAT. VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, TEXT, POLICIES, RADIO BROADCASTING, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE089200
Document Source: CORE
Document Unique ID: 00
Drafter: GWHITE:JH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780151-0532
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780484/aaaactdg.tel
Line Count: 148
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e2b6d4b4-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 41778
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3049539
Secure: OPEN
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TAGS: ETRD, US, GATT, OECD
To: GENEVA PARIS
Type: TE
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Review Markings:
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